

To: Inpatient Hospital Providers, HMOs and Other Managed Care Programs

Implementation of Medicare Grouper Version 25

In an effort to further refine the diagnosis-related group (DRG) system, the Centers for Medicare and Medicaid Services will adopt a new classification system for Medicare's hospital inpatient prospective payment systems (IPPS), the Medicare Severity DRG (MS-DRG) classification system, effective for dates of discharge on and after October 1, 2007. As a result of these changes, Medicare Grouper Version 25 will be implemented.

Implementation of Medicare Grouper Version 25

BadgerCare Plus will implement Medicare Grouper Version 25 for dates of discharge on and after July 1, 2008. For dates of discharge before July 1, 2008, BadgerCare Plus will continue to process claims using diagnosis-related groups (DRGs) included in Medicare Grouper Version 24. Medicare Grouper Version 25 contains substantial revisions from Medicare Grouper Version 24 as a result of the CMS adoption of the Medicare Severity DRG (MS-DRG) classification system. Additional information regarding the new MS-DRG classification system was published in the Federal Register on August 22, 2007, and can be found at www.cms.hhs.gov/quarterlyproviderupdates/downloads/cms1533fc.pdf. Any interim information regarding the conversion of the BadgerCare Plus DRG system to the new grouper version will be made available at dhfs.wisconsin.gov/medicaid4/drg/drg.htm.

The information in this *BadgerCare Plus Update* applies to the BadgerCare Plus Standard Plan and Benchmark Plan.

Information Regarding Managed Care

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization. BadgerCare Plus HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *BadgerCare Plus Update* is the first source of program policy and billing information for providers. All information applies to Medicaid and BadgerCare Plus unless otherwise noted in the *Update*.

Wisconsin Medicaid and BadgerCare Plus are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at dhfs.wisconsin.gov/medicaid/.

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